

# COVID-19 IMPACT ANALYSIS: JULY 2020 UPDATES

Afghanistan, Belarus, Gulf Relations – Iran and Saudi Arabia, Israel and Palestine, Syria, Ukraine, Yemen

# **EUROPEAN INSTITUTE OF PEACE**



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# **Executive Summary**

This is the sixth paper in a series generated by the European Institute of Peace (EIP) monitoring the impact of Covid-19 on fragile and conflict-affected states. The objective is to draw attention to the conditions and prospects facing people in these countries, to provide the political backdrop to the Covid-19 pandemic and to offer specific recommendations to European policy makers and their partners.

This edition focuses on providing updates on the situation in Afghanistan, Belarus, Iran, Saudi Arabia, Israel and Palestine, Syria, Ukraine and Yemen following a previous analysis in early June.

Since our last Impact Analysis in June\*¹, the health situation continues to deteriorate. There are nearly 12 million confirmed coronavirus cases worldwide, according to researchers at Johns Hopkins University, and there is no light at the end of the tunnel.

Uncertainty affects everyone, but it is chronic as well as acute in conflict affected states. Most countries featuring in this impact analysis are being hit by a resurgence of Covid-19 infections.

In Afghanistan, cases have approximately trebled since the end of May. Iran's coronavirus death toll exceeded 12,000 on 8 July, the health ministry said, with 153 deaths in only a 24-hour period.

The situation has also worsened in the Middle East. Despite swiftly putting in place strict measures, Israel has seen a sudden jump in the infection rate following a loosening of restrictions. The Palestinian territories are also seeing a growing number of infections.

An exception to this trend is Belarus where infections have slowed, although there are widely held suspicions of underreporting by the government.

As the UN Secretary General António Guterres said on 2 July, "the health pandemic has fast become a protection crisis" and the need to protect the most vulnerable has become even more acute. The most pressing issue is still guaranteeing conflict-affected states access to essential supplies with growing concerns over food shortages.

In northern Syria, the Covid-19 situation is being compounded by conflict and mass displacement with many families being forced to miss meals or sell assets to survive. The 10 July deadline for the extension of the United Nations Security Council's cross-border aid resolution to Syria is now also rapidly approaching following a veto by Russia and China on 7 July.

In Yemen, millions could soon be on the brink of famine as a result of severe economic disruption, a spike in Covid-19 cases and ongoing conflict. European policy makers, together with international partners, must urgently act together to provide a coordinated response.

<sup>1</sup> \*This is part of a series of Impact Analyses that began in early April covering fragile states where the Institute is active or maintains a watching brief. It includes Afghanistan, Belarus, Cameroon, Colombia, Democratic Republic of the Congo, Ethiopia, Israel-Palestine, Gulf relations -Iran & Saudi Arabia, Burkina Faso, South Sudan, Syria, Ukraine, Venezuela, and Yemen



The UN Security Council resolution on Covid-19 demanding a cessation of hostilities on 1 July is welcome and overdue – but has yet to bear fruit. It must be hoped that it will spur greater diplomatic activity and concerted international pressure on parties to conflict but the omens are not encouraging.

In Afghanistan, violence has spiked despite an Eid ceasefire, which has not yet been officially revoked. In May and June, the number of civilians and pro-government forces killed by conflict in Afghanistan rose to 912 compared to an official tally of 774 Covid-19-related deaths.

The situation in Ukraine also remains bleak. Shooting on the contact line is still a regular feature of the conflict. In the first two weeks of June, 3 civilians were wounded.

As the pandemic continues, other features are also beginning to emerge. The capacity to collect reliable data is being compromised following moves to restrict the movements and access of international agencies.

For example, the Organization for Security and Co-operation in Europe's (OSCE) was prevented from accessing non-governmental controlled areas (NGCAs) in eastern Ukraine. This will severely inhibit their ability to provide an accurate picture of the gravity of the situation on the ground. The WHO Early Warning Alert and Response System (EWARS) monitoring the situation in Syria has also not been updated since mid-March.

Withdrawal of US leadership on the global stage has created a vacuum at the heart of the global response to the pandemic. It has also underlined the scope and need for a proactive European approach and 'extraordinary solidarity' as expressed in a speech on 8 July in Brussels by the German Chancellor Angela Merkel as Germany takes over the EU's rotating presidency.

A conflict-sensitive and coordinated humanitarian response in the most fragile regions such as Yemen and Syria must remain the priority. Another is increasing diplomatic efforts to prevent renewed or additional violence in regions where tensions are escalating. A third is articulation of plans to support national actors to 'build back better' in ways that mitigate and address some of the longer-term drivers of conflict, notwithstanding a contraction in financial resources.

Below is a country-specific Covid-19 Impact Analysis:



# **AFGHANISTAN**

#### Introduction

As of 1 July, the Afghan Ministry of Public Health had reported 31,383 cases of Covid-19 in Afghanistan. Cases have approximately trebled since EIP's last update at the end of May. 774 people are reported so far as having died from Covid-19. This number is, however, still lower than the number of civilians and pro-government forces killed by conflict in May and June (912). The Health Cluster – managed by the UN Office for the Coordination of Humanitarian Affairs (OCHA) – predicts that the peak of the pandemic in Afghanistan will come between late July and early August.

While government-mandated preventive measures technically remain in place, and were extended for three months on 6 June, social distancing measures are not widely observed in most parts of Afghanistan. Schools, hotels, parks and other public places will nevertheless remain closed until the end of August. Staple food prices have increased considerably since before Covid-19 struck. According to the World Food Programme (WFP)'s weekly monitoring, on 1 July wheat prices were 13% higher than before the pandemic, cooking oil 40% higher and pulses 32% higher. Disrupted trade and border closures have created this situation which is having a negative impact on food security.

#### 2. Assessment

The government and international partners continue to press the Taliban for an immediate humanitarian ceasefire, which they have repeatedly refused. The necessity of a subsequent ceasefire to accompany the intra-Afghan peace talks is expected to be one of the main topics of discussion in the first round of negotiations. A ceasefire unrelated to Covid-19 was observed over Eid, and has not been officially revoked, but violence has nevertheless spiked in the intervening time, which the government fears is reducing public confidence in the upcoming negotiations, foreseen to take place in late July or early August if pre-conditions related to mutual prisoner release are met. According their respective numbers, the Afghan government has already released 4.015 Taliban prisoners out of the 5.000 stipulated in the US-Taliban agreement, while the Taliban have freed 737 Afghan security personnel out of a list of 1.000. However, both sides dispute each other's figures.

The most immediate impact of Covid-19 on the peace process is perhaps its contribution to making Qatar the default choice of location for starting intra-Afghan negotiations, due in part to the complications of organizing international travel of large delegations to Europe. Whether talks would then continue in Qatar, or move elsewhere for future rounds, will be discussed and agreed upon during the first round of talks. Besides progress on prisoner exchanges, the formal announcement of a new cabinet and the formation of the leadership council of the High Council of National Reconciliation also need to happen prior to the start of talks.

The number of Covid-19 cases close to both President Ghani and opposition leader Dr. Abdullah, among the staff of the Presidential palace and the Sapedar palace respectively, seems to have decreased with most of those infected having now recovered. Some individuals who are likely to play prominent roles in the future peace architecture for upcoming negotiations, such as Mustafa Mastoor or Farkhunda Zahra Naderi, have tested positive for Covid-19 and are self-



isolating. Other government staff and members of the negotiation team are combining distance work with in-person meetings. Some diplomatic staff evacuated from Afghanistan are starting to return or to carry out missions to Afghanistan. International air travel has resumed, with Turkish Airlines restarting flights on 24 June.

#### 3. Recommendations

#### Covid-19 related recommendations

- While the Taliban have continually resisted agreeing to an immediate Covid-19 ceasefire, the necessity of a ceasefire to accompany the talks is likely to be high on the agenda for the first round of intra-Afghan negotiations, as reduction of violence is a high priority for the Afghan government. European states should offer full support towards this objective, both as a way to improve Afghanistan's Covid-19 response and to facilitate an early and sustained start of negotiations. As in the past, the Taliban are likely to require concessions to enable them to agree to a ceasefire, which could come in the form of development assistance in Taliban-controlled areas, something that would need the agreement and support of Afghanistan's donors.
- Donors should continue to monitor the food security situation in Afghanistan closely.
  The impact of the financial shock of the lockdown measures, combined with disruption
  of trade and increased food prices, has the potential to cause a major crisis in
  Afghanistan. Efforts should be made to clear bottlenecks impacting cross-border food
  supplies and to cushion the financial blow to the Afghan economy.

#### Peace process-related recommendations

- European partners should support the Afghan government on reinforcing messaging related to the peace process, particularly by endorsing an end-state of negotiations that preserves the republican system of government and protects human and women's rights.
- Countries that have close relations with Pakistan should continue to ensure maximum pressure is put on the Taliban to commit constructively to intra-Afghan negotiations.
- European and international actors providing external financial and security support to
  Afghanistan should maintain their commitments. Given Afghanistan's high dependence
  on these types of assistance, any premature reductions would weaken the Afghan
  government's position in the negotiations and reduce the likelihood that any peace deal
  will be sustainable as well as favourable for the Afghan government and its international
  partners.
- Candidates in the US presidential election scheduled for November 2020 should refrain from making any commitments to troop withdrawals from Afghanistan in the context of the election.
- In their interactions with the Afghan government, European partners should stress the need to avoid duplication and ensure that the State Ministry of Peace, Negotiation Team and High Council for National Reconciliation work as a united streamlined structure that avoids replication of tasks.



# **BELARUS**

#### 1. Introduction

Since EIP's previous assessment in early June, the number of confirmed cases of Covid-19 in Belarus has grown by more than a third. As of 6 July, the number of cases stands at 63,554, with 423 deaths. Thus, the registered infection rate has slowed down considerably compared to previous months, even as the Belarusian government continued to largely ignore the World Health Organisation's (WHO) recommendations on social distancing. According to the Belarusian authorities, the country's healthcare system now has excess capacity to treat Covid-19 patients and, hence, some hospitals previously used for the purpose no longer admit patents infected with the coronavirus. Based on this, EIP assesses the current health impact to move from "moderate" to "low", while at the same time monitoring the widely-held suspicions of underreporting by the government.

The economic impact remains "moderate", as the situation has not deteriorated significantly since EIP's June update. The pandemic continues to have a significant impact on growth and the general government debt-to-GDP level, especially as one of the country's key export sectors – oil refining – remains in crisis due to decreased demand, low international prices and lingering uncertainties in energy relations with Russia. Also, 64% of small and medium enterprises (SMEs) report falling revenues, while the government has not offered any serious rescue package for non-state enterprises.<sup>2</sup> At the same time, Belarus maintains macroeconomic stability, and the ability to repay or refinance foreign-currency debt payments, for the time being.

The political impact of the pandemic also remains "moderate", even though the political situation has further deteriorated as the presidential campaign gained momentum. The election will take place on 9 August. The first half of June saw a series of relatively small protests against the government and its non-democratic methods of handling political opponents. In response, the authorities only intensified what is widely seen as a crackdown on the opposition and civil society.

#### 2. Assessment

The deterioration of the internal political situation, which began in the second half of May after the start of the presidential campaign and had been triggered by the government's lax handling of the Covid-19 crisis, has continued since the June update. Apparently in an attempt to prevent the further growth of protest, the government decided to crack down at the early stage of the campaign. Although independent political polling does not exist in Belarus, the hopeful who is seen as the most popular alternative to President Lukashenko, Viktor Babariko, was arrested on charges of massive financial fraud and a pre-investigation inquiry was launched against another, Valery Tsepkala. Throughout June, the police arrested several hundred people across the country, who were later charged with either organising or participating in unlawful mass events.

<sup>&</sup>lt;sup>2</sup> BEROC, "Covidonomics of Belarus" (in Russian), <a href="https://covideconomy.by">https://covideconomy.by</a>, access on 5 July 2020.



As a result of these decisive repressive measures by the government, protest activities have nearly ended for the time being except online, on popular social networks. Online protest was particularly evident following the decisions by precinct election commissions throughout the country on 23-24 June to deny registration as members of election commissions to more than 99% of independent applicants. This particularly affected those who applied upon the request of Babariko's campaign. These decisions, as well as the police brutality in handling the small-scale protests, have given an additional boost to opposition narratives in the media and social networks.

However, it remains unclear whether the widespread protest sentiment expressed online has the potential to be transformed into offline activities that could really challenge the government's grip on power. Given that the authorities have effectively "knocked out" the most popular alternative candidates and several established opposition leaders, there is currently no one to organise and lead protests. The popular candidates' campaigns have not yet offered any vision, beyond general statements about free and fair elections, as to how they are going to continue opposing the government's brutality and widely assumed election rigging.

Overall, the current situation appears to have two probable outcomes. First, on 10 August the Central Election Commission will likely announce another landslide victory for the incumbent, whereas the alternative candidates will cumulatively get around a third of the votes. In response, some alternative candidates and opposition parties will try organising mass protests, but the government will be able to either prevent or disperse them.

Second, and most importantly, as this brutal handling of the election campaign by the government will only further aggravate internal divisions in society, tensions between the government and large opposition-minded segments of the population will remain high beyond 9 August. In this respect, the current crackdown might turn out to be counter-productive for the authorities in the longer term, as large numbers of previously apolitical people will feel angry and ready for anti-government activities as the socio-economic situation continues to deteriorate.

Finally, the status of relations with Russia remains largely unchanged since the June update, although the past month saw two brief meetings between President Lukashenko and Russia's Vladimir Putin, as well as several friendly statements on both sides. Moscow appears to be watching the internal developments in Belarus with a degree of satisfaction because these developments are leading to the deterioration of Belarus's relations with the EU and USA and, thus, limit Belarus's ability to manoeuvre vis-à-vis Russia.

#### 3. Recommendations

## Signalling

• The EU institutions and Member States should continue signalling to the Belarusian government their "red lines" and encourage Belarus to adhere at least to the minimum standards of free and fair elections, like the EEAS did in June.<sup>3</sup> Even though the role of such statements is largely symbolic, as the EU's leverage in Belarus remains weak, it still

<sup>&</sup>lt;sup>3</sup> EEAS, "Belarus: Statement by the Spokesperson on recent developments," <a href="https://eeas.europa.eu/delegations/belarus/81198/belarus-statement-spokesperson-recent-developments\_en">https://eeas.europa.eu/delegations/belarus/81198/belarus-statement-spokesperson-recent-developments\_en</a>, access on 5 July 2020.



gives the more liberal circles in the Belarusian government a reason to argue for restraint in how the authorities handle their political opponents.

## Confidence-building

• Signalling should continue to be accompanied by confidence-building measures. In June the EU (and Poland individually) contributed to this by delivering a shipment of critical medical supplies. Another, and politically more important, move could be to reach out to President Lukashenko at the head of state or government level in order to listen to his account of current developments in Belarus and to explain to him in a friendly manner that the EU wants to continue expanding relations with Belarus, but it will find it impossible to do so unless the Belarusian government stops disregarding the most basic standards of a free and fair election. This recommendation, also made by EIP in our June update, appears even more important now that the incumbent is virtually certain to be announced the winner of the 9 August election. The EU will in any case have to deal with his government beyond the election day.

#### Reacting to election results

• EU policymakers should carefully consider the possible negative consequences of introducing sanctions against Belarus in response to any electoral fraud or irregularities.

This is going to be the most difficult decision, as multiple voices inside the EU and Belarus will be calling on Brussels and Member States to do otherwise on moral grounds. However, a potential decision to sanction Minsk will likely produce numerous unintended consequences that will only aggravate the domestic situation in Belarus and even further undermine the EU's incipient leverage over the country. On the domestic level, as previous experience suggests, the Belarusian government will use the sanctions as the pretext to continue its internal crackdown and make sure that it destroys not only the politically active segments but civil society at large. Internationally, sanctions will leave Minsk face-to-face with Moscow and will, thus, eliminate the achievements of recent years in expanding Belarus's manoeuvring space in foreign policy, which is crucial for both Belarusian sovereignty and regional security (including for the security of Ukraine's northern border).

# **GULF RELATIONS - IRAN & SAUDI ARABIA**

#### 1. Introduction

The Islamic Republic of Iran continues to be the country most-affected by Covid-19 in the Middle East. Infections have been rising following a lifting of restrictions at the end of May. The government has re-imposed restrictions in some provinces after localised outbreaks and has

<sup>&</sup>lt;sup>4</sup> EEAS, "The European Union and WHO deliver critical supplies to the COVID-19 frontline in Belarus," https://eeas.europa.eu/delegations/belarus/81275/european-union-and-who-deliver-critical-supplies-covid-19-frontline-belarus en, access on 5 July.



stepped up a public health campaign, warning of an even stronger second wave of the virus if social distancing rules are ignored. As of 3 July, Iran has had 230, 211 confirmed cases and 10,958 deaths, according to the World Health Organisation (WHO). The real numbers are thought to be much higher due to low levels of testing. On 28 June, President Hassan Rouhani said that his country is experiencing one of its toughest ever years because of US sanctions coupled with the Covid-19 pandemic, which have together crippled Iran's economy.

The Kingdom of Saudi Arabia (KSA) has also seen a resurgence of Covid-19 cases following the lifting of restrictions, leading to a partial re-enforcement of restrictive measures, particularly in Riyadh and Jeddah. As of 3 July, KSA has had 194,225 confirmed cases and 1,698 deaths, according to the WHO. On 22 June, Saudi Arabia said it would ban foreign travellers from attending the haj this year, marking the first time in the modern era that Muslims around the world are not allowed to make the annual pilgrimage to Mecca. The pandemic has also had a heavy toll on KSA's economy, which faces its worst-ever decline and has prompted the government to triple VAT to 15% to boost government revenues.

While both countries focus on responding to the pandemic, tensions between Iran and KSA – and between Iran and the US – continue to be fraught. The UN Security Council provided the latest theatre for these tensions to be put on public display, with the US and KSA calling for an indefinite arms embargo on Iran to be imposed before the existing embargo expires on 18 October. UN officials had presented findings that the missiles used in last September's attack on Saudi Arabian oil facilities – which temporarily halted half of KSA's crude oil production – were made in Iran. Europe's energies have focused on preserving the 2015 Joint Comprehensive Plan of Action (JCPOA) nuclear deal, and countering the US' stated intention to invoke the "snapback" provision of the deal to reimpose sanctions on Iran – a move which it may not legally be able to make given the US is no longer a party to the JCPOA. The EU's preferred option seems to be to find a way to limit Iranian access to arms through a compromise negotiated in the framework of the 2015 agreement; a posture fundamentally at odds with the US' "maximum pressure" approach.

These and other recent developments point towards a continuation of pre-existing positions and tensions, suggesting that the Covid-19 pandemic largely overshadowed rather than changed key relationships and risks in the Gulf. One possible exception is the United Arab Emirates (UAE)–Iran relationship, which shows signs of improving since the UAE first offered Iran humanitarian assistance in March 2020. Since then, four aid planes from the UAE have delivered over 50 metric tons of medical supplies to Iran. On 24 June, Yahya Rahim Safavi, a top military advisor to Iran's Supreme Leader, announced that Iran's relationship with the UAE has improved and that Iran is ready for dialogue with KSA without preconditions.

#### 2. Assessment

With Iran and KSA focused on their Covid-19 response and their domestic economies, the prospect for escalation between the two regional powers is limited in the near-term. The greater risk is that of unwanted escalation between the US and Iran. An explosion at an Iranian nuclear facility on 2 July may have been an act of sabotage by the United States and/ or Israel. Neither side wants an open military confrontation, but the range of flashpoints and the lack of effective communication channels remain a cause for concern. International waters continue to be an arena for tension following a maritime incident in the Strait of Hormuz in April. In June and



July, US federal prosecutors have also been seeking to seize Iranian oil tankers bound for Venezuela.

In perhaps the most visible sign of ongoing proxy conflict in the region, the war in Yemen has intensified in recent weeks. On 1 July, KSA state television announced that the Saudi-led coalition started a military operation against the Houthis after they stepped up cross-border missile and drone attacks on Saudi Arabia. The Houthi missile attacks were the first since a faltering Covid-19 ceasefire was announced, and the attack coincided with the UN's finding that the September 2019 Houthi attack was conducted with Iranian-made missiles.

The forthcoming expiration of the arms embargo on Iran on 18 October gives an indication and likely timeline for upcoming challenges and fraught international diplomacy. Iranian Foreign Minister Zarif has said that ending the arms embargo is "inseparable" from the nuclear deal. With the expiration date falling just before the US Presidential election, and with European policymakers concerned both about the expiring arms ban and the preservation of the JCPOA, this will likely be a time of heightened tension. It will be vital to ensure that any rhetorical provocations do not escalate and translate into any form of violent confrontation.

Aside from issues related to regional security, the primary concern for Iran, KSA and other countries in the region is the economic havoc which Covid-19 continues to wreak, which is compounded by the crash in oil prices. Both Iran and KSA face the dilemma of needing to get their economies going while limiting further spread of the virus.

KSA's Crown Prince Mohamed bin Salman has shown no intention of delaying or giving up on his "Vision 2030" and has allocated USD 20 billion to a tourism and culture project in Riyadh. His political vulnerabilities appear minimal, and unpopular policies such as a rise in VAT are unlikely to provoke much backlash, particularly since there are parallel government initiatives being rolled out to support businesses, employees and investors to cope with the effects of Covid-19.

Iran's economy is in dire straits and the International Monetary Fund (IMF), seemingly under US pressure, has yet to approve Iran's application for a USD 5 billion loan to deal with the economic fallout from Covid-19. Iran faces a unique cocktail of challenges, since the virus has spread in the context of regional and geopolitical tensions, political dissent, economic turmoil, and social unrest. There are many reasons to suppose that Iran will see more unrest in the near future. The human, economic and social costs of the virus suggest that some sort of post-pandemic fallout in Iran is likely. Iran's domestic political scene is in flux and already gearing up for the 2021 elections, which will see Ayatollah Khamenei and the Islamic Revolutionary Guards Corps (IRGC) try to take control of the Presidency.

#### 3. Recommendations

• European policymakers should refocus on the economic impact of Covid-19 across the region, particularly in the most fragile countries teetering on the brink of economic collapse – Iran, Iraq and Lebanon. An economic implosion in the region would be against European interests, threatening instability, migration flows, terrorism threats and knock-on economic consequences. Europe should step up its efforts to circumnavigate US sanctions on Iran including by securing effective US sanctions waivers and by stepping up humanitarian support to Iran through the Instrument in Support of Trade Exchanges (INSTEX).



- The EU should increase its investment in diplomacy in the region such as by appointing an EU Special Representative or an EU Special Envoy for the Gulf and/ or by opening an EU Delegation in Tehran – to promote dialogue and strengthen the coordination of European efforts towards regional de-escalation and stability.
- Military de-escalation channels should be established, particularly between Iran and the US, to avoid escalation in a moment of crisis. Switzerland plays a crucial role as an intermediary for diplomatic communication between the US and Iran but it is not clear that this set up would function for a military incident. A hotline, established through a European or Gulf state intermediary could be a vital preventive measure.

# ISRAEL AND PALESTINE

#### 1. Introduction

In EIP's April impact assessment of the impact of Covid-19 in Israel and Palestine, we had warned that the Covid-19 outbreak could spell disaster for people in the occupied Palestinian territories (OPT) and in Israel. While the political and the health situation has evolved considerably in the past two months, the spread of Covid-19 has been – until recently – relatively modest and gradual. That changed at the beginning of July with Israel and the West Bank seeing a resurgence in Covid-19 cases. This second wave poses a grave threat to the security of all in the region.

Israel is now facing a significant new outbreak which threatens to spiral out of control. On 6 July, Israel's Health Ministry reported 791 new coronavirus cases, bringing the total number of infections to more than 30,000. As the number of daily infections continues to climb, the government of Israel re-imposed a series of restrictions on 6 July, including the immediate closure of bars, gyms and event halls. The pandemic has also created an acute economic crisis in Israel with approximately 1 million Israelis unemployed.

The Covid-19 surge has extended to the Palestinian territories, where total cases have risen to 4,722, with 472 cases reported on Monday 6 July alone. Facing the resurgence of cases, the Palestinian Authority (PA) has reinstated a lockdown across the West Bank and imposed strict measures and regulations, such as shuttering mosques, churches and private establishments, and banning public gatherings. On 6 July, Palestinian Prime Minister Mohammad Shtayyeh called on Israel to close all crossings to the West Bank, in a bid to curb the spread of the virus, since medical experts have said that the resurgence in the OPT is mainly the result of Palestinian day labourers traveling back and forth for work in Israel. Gaza has not yet seen the same resurgence as in Israel and in the West Bank, with 72 reported cases as of 6 July.

The threat of Covid-19 is compounded by potentially imminent Israeli moves towards annexation. The annexation threat prompted the PA to suspend much of its security, economic and civil cooperation with Israel on 19 May, which has already undermined a coordinated response to Covid-19, including by delaying customs clearance for the delivery of medical supplies.



As of 1 July, the new Israeli coalition government is able to stage a vote in the Knesset on the annexation or "the application of sovereignty" to West Bank territory. At the time of writing, it is unclear how Netanyahu's government will proceed, given the political tensions within Israel, the as-yet unknown guidance of the US, and widespread opposition to annexation in Europe and further afield. There has been much speculation about whether, when and how Netanyahu will choose to go ahead with annexation.

#### 2. Assessment

The Covid-19 outbreak has taken place in a highly turbulent political context, with three elections in the past year and no clear winner. The national emergency and the pandemic were skilfully used by Netanyahu to put an end to the longest political deadlock in Israel's history and claim victory for himself. This unity government was motivated by the necessity of having a functional executive during a global pandemic.

Following the formation of the government, Netanyahu has spoken of a "unique opportunity" for annexation, exploiting the momentum provided by the Trump plan that moves away from previous international standards and sets new parameters to any negotiated resolution of the conflict. However, since it is uncertain whether President Trump will be re-elected in November, time is of the essence for Netanyahu to push through the corresponding law as quickly as possible.

The pandemic will affect cost-benefit calculations in Tel Aviv. On the one hand, Covid-19 might mitigate the risks entailed by an expansive annexation since the world's attention has moved away from the conflict in the Middle East, the EU is largely seen as a "paper tiger" weakened by internal divisions, and Jordan is economically and politically weakened by the pandemic and reliant on cooperation with Israel in key sectors such as energy. On the other hand, proceeding with annexation at the height of a public health crisis may be deemed a risky move which could invite even greater international opprobrium.

All things considered, the Israeli government seems likely to proceed with some form of annexation between July and November 2020. However, what annexation would mean and how much support it would get also depends on what territory is annexed, and how much. As of the beginning of July, three scenarios seem likely, as recently mapped by the Washington Institute:<sup>5</sup>

- 1. <u>Full annexation</u>: In this scenario, Israel would annex all 130 settlements in the West Bank as envisioned in the Trump plan. Notably, 15 of them (termed "enclaves" in the plan) would lie within the future Palestinian state but be under full Israeli control.
- 2. <u>All blocs of settlements inside the barrier</u>: This scenario would see the annexation of the large, heavily populated blocs of Israeli settlements located just inside the security barrier.

<sup>5</sup> The Washington Institute, Mapping West Bank Annexation: Territorial and Political Uncertainties, Policy analysis 15 June 2020, <a href="https://www.washingtoninstitute.org/policy-analysis/view/mapping-west-bank-annexation-territorial-and-political-uncertainties">https://www.washingtoninstitute.org/policy-analysis/view/mapping-west-bank-annexation-territorial-and-political-uncertainties</a>



3. <u>Minimal annexation</u>: This scenario would involve one or two large settlements or blocs, perhaps Gush Etzion (located south of Jerusalem) and/or Ma'ale Adumim (east of Jerusalem). A handful of other settlements near the 1967 Green Line could be included as well.

Whatever the scope, the political consequences of annexation will be far-reaching, as it will disrupt what has been the status quo for more than two decades. The likely secondary effects of annexation – instability, violence, the ending of cooperation between Israel and the PA – risk undermining what have so far been relatively successful efforts to respond to the Covid-19 pandemic. There remain considerable concerns regarding the ability of the Palestinian health sector to cope with a surge in cases, especially in densely-populated Gaza.

#### 3. Recommendations

The possibility of Covid-19 spreading across Israel and the Palestinian territories at the same time as Israel moves to annex parts of the West Bank raises the spectre of a double-crisis. This prospect should underscore the urgency for European policymakers to coordinate a robust response to the annexation threat. Europe's primary objective should be to prevent annexation from taking place. At the time of writing, it appears that Prime Minister Netanyahu has not yet made a final decision on annexation. Effective European diplomacy could weigh upon his cost-benefit calculations. Such pre-emptive actions by the EU and European States could include:

- Stepping up high-level diplomacy to deter Israel from annexation;
- Signalling that EU disunity will not prevent a strong response by Member States and the European Commission;
- Conducting consultations with Arab leaders particularly in Jordan, Egypt, the United Arab Emirates and Saudi Arabia to coordinate diplomacy and messaging;
- Re-iterating Europe's commitment to distinguishing between Israel and the settlements, and signalling a readiness to deepen and harden "differentiation measures";
- Indicating a readiness to recognise the State of Palestine on pre-1967 lines;
- Using diplomatic channels to make Israeli policymakers aware that other policy options are under consideration, including reviewing all bilateral agreements with Israel.

However, given Netanyahu's position and the backing he receives from the Trump Administration, it may be beyond Europe's power to deter annexation. Therefore, European policymakers should prepare, with equal urgency, to respond strongly to annexation if it happens and prepare to mitigate the risk of Covid-19 exacerbating what could be a period of instability and violence. A broad menu of policy options exists for the EU and for European States, including:



- Ensuring strong public reactions and immediate diplomatic responses to condemn annexation and clarify non-recognition of any territory outside of 1967 lines;
- Initiating a comprehensive legal assessment and policy review of the effects of annexation on EU-Israel relations. The EU and Member States will need to consider the ramifications of annexation for all areas of its bilateral relations with Israel, including on the economy, trade, security, science and digital, education, visa policies and development cooperation.
- Stepping up efforts to implement UN Security Council resolution 2334 by deepening and hardening differentiation measures;
- Reviewing bilateral agreements, existing and proposed, with Israel;
- Adapting and stepping up appropriate assistance to Palestinian communities in annexed areas and in isolated Palestinian enclaves;
- Formally recognising the State of Palestine on pre-1967 lines;
- Initiating a broad policy review possibly in parallel to its legal assessment of EU-Israel relations to examine the implications of annexation on EU-Palestinian relations.

## **SYRIA**

#### 1. Introduction

Until recently, it had seemed that Syria might have escaped the worst of the Covid-19 pandemic's projected public health impact, but a recent spike in cases has seen the number of cases triple in the period since the last update. As of July 8, there are 372 cases in government areas, with 15 deaths and 126 recoveries. Previously, cases recorded by the Ministry of Health had primarily been recorded in Damascus and its countryside, but new cases have occurred in Daraa, Quneitra, Hama, Homs, Aleppo, and Sweida. The north-east has seen only six recorded cases, with no new cases since early May, and the north-west has no recorded cases though 1,974 tests have been undertaken in the region. Preparedness remains behind the curve in all territories. All territories have lifted the majority of their preventative measures, with the government applying quarantine measures around towns and major public venues and attraction around local outbreaks. Worryingly, medical workers and facilities in areas controlled by the government of Syria have seen a spike in cases, and at least one major hospital in Damascus ran out of some Covid-19 supplies.

Humanitarian access and operations remain an issue, manifesting in multiple ways. The Ministry of Health and WHO Early Warning Alert and Response System (EWARS) data has not been updated publicly since mid-March. Designed to "detect and respond to signals that might indicate outbreaks and clusters of epidemic-prone diseases," the data is now being withheld, making it difficult to understand whether there are higher numbers of Covid-19 cases in the country being incorrectly attributed to other diseases. Cross-line assistance to the north-east of Syria (NES) remains an inadequate alternative to cross-border operations. Negotiations for the



extension of the United Nations Security Council's cross-border aid resolution are ongoing ahead of the expiry date of 10 July. After a German-Belgian draft was vetoed by Russia and China on Tuesday, Russia presented a counter-draft which included only one north-western border crossing into Idlib, no reinstatement of the NES crossing, and a six-month extension; this would leave the Covid-19 response in a precarious position, with access to over 4 million people becoming even more limited. The Russian draft was also vetoed and member states have spent the rest of this week trying to come to an agreement before the deadline at midnight on Friday. It is a real possibility that there will be no agreement, which would kill the cross-border mechanism and seriously imperil the aid response, including the response to Covid-19.

Meanwhile, the Brussels IV Conference resulted in lower pledges than in previous years, with EUR 4.9 billion raised for 2020 with multi-year pledges of nearly EUR 2 billion for 2021 and beyond, a drop of EUR 1.26 billion from 2019's EUR 6.16 billion. This is despite the increased level of need caused by the pandemic and the ongoing humanitarian crisis. However, the broader European political position of no reconstruction (or similar) programming until a political process has reached an irreversible stage, was maintained throughout the conference.

The political process and relations between conflict actors continue to be impacted by the virus. The north-west ceasefire between government forces and their allies Russia and Iran, and Turkey and the armed groups in Idlib, has held throughout the crisis. However, the parties to the truce have blocked cross-line activities – both humanitarian aid deliveries and children sitting formal examinations – citing the threat of Covid-19. No significant release of detainees has been forthcoming, despite political efforts to secure this during the pandemic. A constitutional committee meeting has tentatively been scheduled for August once travel resumes, with the delay in convening the next meeting ostensibly attributed to the virus prevention measures globally.

The economic situation continues to decline, with new US sanctions adding to the pressure from the Covid-19 precautions and the plunging economy in Lebanon. Syrians in all territories are facing severe economic concerns and are already employing negative coping mechanisms, such as skipping meals. Draft results of a recent survey of people in Syria by a regionally-based research NGO, shared with EIP on a non-attribution basis, shows that while many Syrians are in need, a very small percentage of those surveyed report that they are receiving humanitarian assistance and around half say they are considering leaving Syria if the situation continues.

#### 2. Assessment

Ceasefires and political dialogues: The ceasefire in Idlib continues to hold. The US is confident in the truce's durability, but other actors remain less confident. Securing an enduring truce in the north-west is a critical component of both maintaining stability and control of the Covid-19 outbreak in the country. Idlib's high number of IDPs are particularly vulnerable to both displacement and the virus, so shifting frontlines or an increase in violence would add to their immediate threats. Ensuring that US-Russian dialogue continues to build on the ceasefire, and to incentivise engagement in the political process, will be critical in the coming weeks and months.

**Economy and sanctions:** The value of the Syrian pound continues to decline, so does the availability of goods across all areas of the country. Recent price increases have begun to impact



subsidised food items available only through the government's "smart card" system. Syria's economy is intrinsically tied to Lebanon's, a country which is beginning to experience hyperinflation and is unlikely to see a bailout from the IMF anytime soon. Mid-June's implementation of the US' Caesar Bill sanctions was limited, with further rounds of sanctions expected to be imposed throughout the summer and autumn. The critical decision on the status of the Syrian Central Bank was not included in the US' first designations in mid-June. The Caesar Bill mandates an investigation into the bank's role in money laundering, which should come with a recommendation on whether or not it should be designated. Sanctioning of the central bank would be devastating for humanitarian operations. Choosing to leave this decision until later in the summer, leaves space for a negotiation between the US and Russia to prevent the most significant effects of the Caesar Bill.

In northern Syria, essential goods are also out of reach. Across the country, negative coping mechanisms are becoming widespread, with families missing meals or selling assets to survive. There are presently no immediate or achievable options for stabilising Syria's economy, and humanitarian aid is unlikely to be able to fill the gap, particularly in light of the reduction in funding for the coming year. Worryingly, as the virus caseload continues to rise, it will be all but impossible to enforce future lockdowns except in a localised manner due to the economic situation in the country—people simply cannot afford to stay home.

**Humanitarian response:** Humanitarian needs are increasing across all territories of Syria and the neighbouring countries, as is the Covid-19 caseload. Meanwhile, funding and access are declining. Increasing support for the Covid-19 response and the response more generally, and finding the balance between alleviating people's immediate humanitarian and public health needs across all territories without steering into "soft normalisation" will be necessary for the coming months. Similarly, securing continued humanitarian access to the north-east and northwest through the cross-border resolution or alternative bilateral agreements is an immediate priority. Not only is cross-border access required to fulfil humanitarian needs, and provide effective Covid-19 preparedness, cross-line access is politically impossible in the north-west. Moreover, given the rising numbers of Covid-19 infections in government-controlled areas and the lack of infections in the north-west to date, a pivot to cross-line work would risk bringing Covid-19 infections into an area with high numbers of high-density IDP camps. Additionally, securing data about Covid-19 and infectious diseases from the Ministry of Health and WHO, and ensuring that the UN's new programme planning cycle meets the underlying immediate humanitarian needs which have been exacerbated by Covid-19, rather than pivoting toward development work, will be crucial activities in the near term.

#### 3. Recommendations

- i. Major donors should redouble efforts to access timely and detailed information about the number of Covid-19 cases in Syria and associated EWARS disease tracking data from the WHO and Ministry of Health. Utilising this tracking data can help to ensure adequate medical equipment and support is available to manage the growing caseload, including the need for targeted assistance to support or incentivise quarantines around outbreaks.
- ii. The EU and US should continue with proactive work to ensure sanctions do not negatively impact the Covid-19 and humanitarian response. This work should include: working closely with NGOs and civil society groups to troubleshoot any unintended



impacts; providing waivers and exemptions promptly; issuing "letters of comfort" to financial institutions; engaging in proactive work with financial institutions to explain the sanctions; and looking into mechanisms for financing humanitarian exemptions based on the Swiss-Iran channel model.

- iii. In the negotiations concerning the extension of the UNSC's cross-border aid resolution (2504), efforts should be focused on maintaining adequate cross-border humanitarian access to north-west Syria, and on reinstating cross-border access to north-eastern Syria. If negotiations are unsuccessful, donors should bilaterally fund cross-border aid operations in both areas outside of the mechanism to ensure that humanitarian operations are maintained, Covid-19 preparedness work can continue, and a timely response to any outbreak can be enacted. A robust discussion of the protection risks inherent in this option should be held with implementing partners, with risks mitigated where possible, and an "informed consent" model adopted with any partnership model.
- iv. The US and EU member states should redouble meaningful diplomatic efforts to resolve the conflict through political channels, under the auspices of UNSC Resolution 2254, as the only way to address the enduring humanitarian crisis caused by the conflict. As well as supporting the current workstreams such as the Constitutional Committee, states should consider taking actions to help consolidate the Idlib ceasefire and exploring the additional suite of work required under the 2254 process (such as creating a calm, safe, neutral environment; durable solutions for refugees; solutions to the difficult issues related to housing, land and property rights).
- v. The US, EU, and EU member states should urgently identify ways to offset the growing humanitarian crisis in all territories of Syria, supporting life-saving humanitarian aid with a focus on meeting nutritional needs and food security programming.

## **UKRAINE**

#### 1. Introduction

Since the EIP's June assessment the number of confirmed cases of Covid-19 in Ukraine has increased by approximately 20,000, almost doubling. As of 2 July there are 45,887 confirmed cases of Covid-19 in Ukraine, with 1,185 deaths. The Lviv region in western Ukraine and Kyiv city have the highest numbers of confirmed cases. EIP's previous assessment mentioned the alarmingly high morbidity rate of Covid-19 among Ukrainian healthcare workers. According to the Ukrainian Ministry of Health, at the beginning of July the morbidity rate among medical workers dropped from 20% to 9% of the total number of infected, thanks to the increased availability of personal protection devices.

Despite the rising numbers of confirmed cases over the first two weeks of June, Ukraine has continued to ease lockdown measures with a resumption of public transport, including metro systems and long-distance and local train services. In mid-June, Ukraine restarted international air travel, after launching domestic flights earlier the same month.



The incidence rate of the virus increased from 13.18 cases per 100,000 people on 1 June, to 26.65 cases per 100,000 people on 24 June. The Ukrainian government started to voice concerns about a second wave of Covid-19. President Volodymyr Zelensky said that Ukraine needs to be prepared for a second wave, while Prime Minister Denys Shmygal announced that the occupancy rate of hospitals has significantly increased. In some regions, the occupancy rate of hospitals now exceeds 50%. Thus, the public health impact of Covid-19 in Ukraine continues to be **moderate** with the risk of deterioration to severe.

The economic impact of Covid-19 continues to be **moderate**. In its previous assessment, EIP suggested that international financial assistance will soften the impact of the pandemic on the Ukrainian economy in the short run. On 9 June, the Executive Board of the International Monetary Fund (IMF) authorised a line of credit of about USD 5 billion over 18 months. The Ukrainian government presented this as a hard-fought victory that was made possible thanks to the anti-corruption efforts of the President. Ukraine has already received a first tranche of IMF aid worth USD 2.1 billion, as well as EUR 500 million of micro-financial assistance from the EU. The World Bank has also approved a USD 350 million loan for Ukraine in support of reforms that are critical to its economic recovery and to help mitigate the impact of the pandemic. As a result of these international efforts, inflation in Ukraine has slowed down, and the National Bank has lowered its key interest rate. However, Managing Director of the IMF Kristalina Georgieva has voiced her concerns that Ukraine's fight against Covid-19 has "refocused priorities away from deep structural reforms."

#### 2. Assessment

The situation is more worrying in the non-government-controlled areas (NGCAs) in Eastern Ukraine. As highlighted in EIP's previous assessments, the regions are not included in global coronavirus tallies, and there is no reliable data on the number of cases or of tests performed. The self-proclaimed Republics in Donetsk and Luhansk are continuing to report low numbers of Covid-19 cases, raising concerns about the reliability of these numbers. As of 2 July, Luhansk authorities reported only 504 cases, while Donetsk authorities reported 1194. The Covid-19 pandemic has worsened the already difficult financial situation in these regions, particularly for the retired people and the elderly who depend on Ukrainian state pensions and cannot freely cross the contact line to withdraw their money. Only two checkpoints are currently partially operational, with only a few dozen people able to cross the line since the Covid-19 outbreak in March.

The Humanitarian Response Plan (HRP) for Ukraine was revised in June to integrate the newest activities related to Covid-19 in conflict areas. The original plan for 2020 consisted of USD 158 million for 122 projects to be implemented by 56 partners: 23 national NGOs, 24 international NGOs and nine UN agencies. Alongside the work of the International Committee of the Red Cross, this complements the government's efforts to address humanitarian needs in conflict areas. The revised version includes an additional USD 47 million to reach some 2 million people on both sides of the "contact line" whose humanitarian needs are further exacerbated by Covid-19. As of July 2020, according to Financial Tracking Service, the 2020 Ukraine HRP is only 19% funded, which equals USD 38.2 million received.

The Ukrainian government joined an international appeal of 170 UN Member States expressing strong support for the UN Secretary-General's call for a global ceasefire amid the Covid-19 pandemic. After several months of negotiations, Russia voted for the UN resolution 2532



(adopted unanimously) on the Covid-19 pandemic. However, shooting on the contact line continued. According to the OSCE Special Monitoring Mission, (OSCE SMM) three civilians were wounded over the course of the first two weeks of June. Moreover, officials of the OSCE SMM are still not allowed to access the Donetsk and Luhansk regions. Members of the armed formations continued to cite "quarantine restrictions due to Covid-19" as a reason for these limitations.

The implementation of the Minsk agreement is at an impasse, with parties unable to find a comprehensive resolution of the conflict in eastern Ukraine. A Normandy Four advisors' meeting was held in Berlin on July 3. Political advisors from Ukraine, Russia, France and Germany met to discuss preparations for a future meeting, but the exact date is to be confirmed. According to a Russian report leaked to Der Spiegel (3 July) by former Russian oligarch Khodorkovsky's **Dossier Center**, Russia wants Ukraine to present a plan to accept the special status of CADLR by July 6 at the next meeting of the Trilateral Contact Group of OSCE, Russia and Ukraine, which would require a change of the Ukrainian constitution. The other major obstacle is the implementation of a stable ceasefire. On May 15, at the meeting of the Trilateral Contact Group (Russia, Ukraine, OSCE) the parties stressed the importance of establishing a stable and comprehensive ceasefire, with the discussions focusing on, among other things, demining and security for the civilian population, new disengagement points and ensuring a sustainable ceasefire. However, little progress has been made on its implementation. The Trilateral Contact Group on June 25 failed to agree on security guarantees for the opening of two additional entry-exit crossing points near Zolote and Schastya in Luhansk region. The Security Working Group made some progress on a demining plan and on a framework for the disengagement of forces and hardware.

The complexity of the ongoing negotiations in the different formats, combined with an increasingly hostile official narrative towards a political settlement on both sides, has led many observers to the conclusion that the window of opportunity for a breakthrough in the conflict resolution process, which opened last December, is now closing. Military parades were held in Crimea, Luhansk and Donetsk on 24 June to celebrate the historic Moscow Victory Parade of 1945. Moreover, authorities of the self-proclaimed Luhansk and Donetsk People's Republics have organized bus services to polling stations in the neighbouring Rostov region in Russia on 27 June, to allow citizens holding Russian passports to vote on constitutional amendments that would allow President Vladimir Putin to remain in power until 2036. Over 220,000 Ukrainians living in areas held by rebels have received Russian passports in 2019, when Putin signed a decree expediting citizenship applications from residents of the self-proclaimed republics.

EIP's initial assessment of the Covid-19 impact on Ukraine's internal political situation highlighted the dismissal of several high-level officials as an ongoing negative trend. Following this, Yakiv Smoliy, Head of the National Bank of Ukraine, resigned at the beginning of June. In his resignation announcement, he cited the political pressure as the main reason and warned against further attempts to undermine the institutional foundations and the independence of the National Bank. Similarly, on 4 June, the Ukrainian Parliament dismissed Vadim Prystaiko, Deputy Prime Minister for European and Euro-Atlantic Integration, after only three months in office. These frequent reshufflings have a negative impact on the internal political dynamics and the ability of the government to push forward a credible reform agenda.



European Union leaders on 19 June supported a six-month extension of economic sanctions imposed against Russia over its role in the ongoing conflict in Ukraine, and renewed the sanctions introduced in response to the illegal annexation of Crimea and Sevastopol by Russia until 23 June 2021.

#### 3. Recommendations

- The EU should follow closely internal political dynamics in Ukraine and support serious structural reforms within the country.
- The EU (in particular, Germany and France) should take active steps towards the resumption of Normandy format talks.
- The EU and other actors should continue voicing support to the restoration of the freedom of movement of the OSCE SMM.
- The EU, member states and other international actors should continue supporting the Humanitarian Response Plan of Ukraine.

## YEMEN

#### 1. Introduction

Since the first confirmed case in Hadrhamaut, the virus has been spreading undetected in Yemen, with the known fatality rate (25%) nearly four times higher than the global average, according to the UN Office of Coordination and Humanitarian Affairs (UNOCHA).<sup>6</sup> As of 7 July, over 300 infected people had died of Covid-19, out of a total confirmed caseload of more than 1,200.<sup>7</sup> However, it is believed that there is a deliberate attempt to conceal the real figures.

Fighting has continued unabated despite the looming spectre of Covid-19. The threat of Covid-19 doesn't feature prominently in the Yemeni media. Meanwhile, news is dominated by the stalling political agreements and the circuitous pursuit of peace in Yemen. *De facto* authorities across the country have lifted most of the restrictions aimed at countering the spread of the virus. Mosques and markets have reopened again. The majority of political groups have resumed their events, with pictures circulating of large numbers of attendees in closed spaces without any social distancing. The same interlocutors the international community counted on for raising awareness in their communities seem to be flouting these very same rules.

In face of official inactions, some Yemeni leaders have taken matters into their own hands to help their communities. The International Initiative on Covid-19 in Yemen, chaired by Yemeni philanthropist and businessman Hayel Saeed Anam, mobilized a "43-ton shipment of medical and laboratory supplies," including an extra 426 ventilators, with oversight from the World Health Organization (WHO).

<sup>&</sup>lt;sup>6</sup> UN OCHA, "Yemen COVID-19 Preparedness and Response Snapshot - As of 13 June 2020", 13 June 2020 <a href="https://reliefweb.int/report/yemen/yemen-covid-19-preparedness-and-response-snapshot-13-june-2020-enargemen-covid-19-preparedness-and-response-snapshot-13-june-2020-enargemen-covid-19-preparedness-and-response-snapshot-13-june-2020-enargemen-covid-19-preparedness-and-response-snapshot-13-june-2020-enargemen-covid-19-preparedness-and-response-snapshot-13-june-2020-enargemen-covid-19-preparedness-and-response-snapshot-13-june-2020-enargemen-covid-19-preparedness-and-response-snapshot-13-june-2020-enargemen-covid-19-preparedness-and-response-snapshot-13-june-2020-enargemen-covid-19-preparedness-and-response-snapshot-13-june-2020-enargemen-covid-19-preparedness-and-response-snapshot-13-june-2020-enargemen-covid-19-preparedness-and-response-snapshot-13-june-2020-enargemen-covid-19-preparedness-and-response-snapshot-13-june-2020-enargemen-covid-19-preparedness-and-response-snapshot-13-june-2020-enargemen-covid-19-preparedness-and-response-snapshot-13-june-2020-enargemen-covid-19-preparedness-and-response-snapshot-19-preparedness-snapshot-19-preparedness

<sup>&</sup>lt;sup>7</sup> See <a href="https://www.worldometers.info/coronavirus/country/yemen/">https://www.worldometers.info/coronavirus/country/yemen/</a> for up to date statistics



#### 2. Assessment

With regards to political development, diplomatic efforts to broker a lasting agreement between presumable allies in the anti-Houthi camp haven't yet yielded fruits. The political stalemate continues to prevent the appointment of a mayor and security chief in Aden, the interim capital, and hinder efforts to craft a comprehensive strategy toward combating the Covid-19 or charting a new course out of this impasse. Meanwhile, health workers, like many civil servants and soldiers, have not received their salaries in months. The issue of salaries was further exacerbated when the Southern Transitional Council (STC) seized billions of Yemeni riyals headed for the Central Bank in the port city of Aden. STC-aligned forces seized the shipment as the money was being conveyed from the port to the Bank.

Moreover, the international community attempted to assess the evolution of Covid-19 in order to progress with the UN-led peace process in Yemen; however, regional actors and their proxy Yemeni groups don't seem to grasp the severity of the impact of the pandemic on the current and future situation in Yemen and thus seem not genuinely convinced in resorting to a ceasefire to combat the spread of the virus. The diverse interests amongst regional actors, especially the United Arab Emirates (UAE) and Saudi Arabia (KSA), undermine global efforts to solve the conflict and rebuild a peaceful Yemen.

In addition to the complex political situation, the lockdown in Yemen increased cases of domestic violence towards women especially.<sup>8</sup> Local civil society organisations continue to record cases of domestic violence against women combined with decreased opportunities to report these cases due to the lockdown.

Economically speaking, Yemen is facing a sharp decline in the three primary sources of foreign currency: remittances, oil exports and humanitarian aid. Remittance transfers amounted to some USD 3.8 billion in 2019 – more than the amount delivered in international humanitarian assistance for Yemen in that year – but have dropped by 70% following the introduction of Covid-19 lockdown measures in March. Oil exports revenues continue to dwindle as a result of the conflict. Lastly, the fundraising conference, co-hosted by KSA and the UN on 02 June, fell short of the funds hoped to face the world's worst humanitarian crisis by USD 1 billion<sup>9</sup>. Taken together, these shortfalls have led to a steep decline in the local purchasing power and access to food which threaten to push millions of Yemenis to the brink of famine.<sup>10</sup>

#### 3. Recommendations

• EIP reiterates the recommendations mentioned in the previous versions of the impact assessments with a strong focus on both; a) supporting all efforts aiming at implementing a ceasefire. b) International and EU member states should leverage their diplomatic ties with regional actors to help advance discussions with relevant key players in the north as in the south. These closer engagements could help bolster the

<sup>&</sup>lt;sup>8</sup> Arab News, "Women face rise in domestic violence due to coronavirus lockdown in Yemen, report says", 9 June 2020 <a href="https://www.arabnews.com/node/1687111/middle-east">https://www.arabnews.com/node/1687111/middle-east</a>

<sup>&</sup>lt;sup>9</sup> https://www.aljazeera.com/news/2020/06/donors-pledge-135bn-humanitarian-aid-war-ravaged-yemen-200602180035408.html

<sup>&</sup>lt;sup>10</sup> FEWSNET, "COVID-19 caseload increases while food import levels remain low in April", May 2020 <a href="https://fews.net/east-africa/yemen/key-message-update/may-2020">https://fews.net/east-africa/yemen/key-message-update/may-2020</a>



UN-led peace negotiations, foster closer dialogue with southern factions such as the STC, and advance discussions on key drivers of peace such as political representation, security sector reform, and women's role in restoring peace in the south as well as in the north. Women's groups engage with local authorities, civil society organizations, international agencies and some of them are also part of the ongoing discussions with the OSESGY and the larger UN-led negotiations.

- The EU and international donors should urge de facto authorities to establish an effective coordination mechanism to mobilise resources and coordinate a rapid response on the ground.
- The EU should, through diplomatic efforts, support and advocate for the Government of Yemen's efforts to pay salaries to the public sector, including health workers.
- The EU should ensure that pledges during the Yemen conference are followed through



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